

Assembly Joint Resolution

No. 14

Introduced by Assembly Member Jeffries

**(Coauthors: Assembly Members Adams, Benoit, Carter, Cook,
Emmerson, Horton, Huff, and Maze)**

(Coauthors: Senators Dutton, Negrete McLeod, and Wyland)

February 23, 2007

Assembly Joint Resolution No. 14—Relative to customs duties.

LEGISLATIVE COUNSEL'S DIGEST

AJR 14, as introduced, Jeffries. Customs duties and importation revenues.

This measure would memorialize the President and the Congress of the United States to enact legislation that will ensure that a substantial increment of new revenues derived from customs duties and importation fees be dedicated to mitigating the economic, mobility, security, and environmental impacts of trade in California and in other trade-affected states across the United States.

Fiscal committee: no.

1 WHEREAS, The goods movement and logistics industry in
2 California employs one out of seven workers in the state,
3 generating over \$200 billion annually for the state's economy and
4 contributing more than \$16 billion a year in tax revenues to state
5 and local governments; and

6 WHEREAS, California's agricultural, natural resources, and
7 manufacturing industries exported more than \$110 billion worth
8 of goods in 2004, making up 13.5 percent of our nation's total
9 exports; and

1 WHEREAS, Foreign trade is increasing rapidly, with the number
2 of containers shipped through California's ports expected to double
3 over the next 15 years, and triple in the next 20 years; and

4 WHEREAS, This increased foreign trade creates a benefit for
5 our state's workers and our state's economy, but also places a
6 burden on California's ports, railways, highways, and airports;
7 and

8 WHEREAS, The existing port security infrastructure is not
9 capable of adequately monitoring the volume of cargo entering
10 the United States today, with less than 40 percent of containers
11 receiving radiation screening, and only 5 percent of containers
12 physically inspected. Without further investment in port security
13 infrastructure and technology, increasing trade will only increase
14 our homeland security risks; and

15 WHEREAS, The United States Customs and Border Protection
16 Agency is responsible for collecting duties and importation fees
17 that are generated by foreign trade, a figure that reached \$24.7
18 billion in revenues for 2003, a number that is expected to rise to
19 \$40 billion or more by 2015; and

20 WHEREAS, California single-handedly generates over 20
21 percent of these trade revenues; and

22 WHEREAS, Over 98 percent of the revenues derived from trade
23 are deposited directly into the United States Treasury General Fund
24 Accounts; and

25 WHEREAS, Less than 1 percent of these trade revenues are
26 dedicated directly to the Customs and Border Protection Agency
27 to deal with the impacts of trade on congestion, homeland security,
28 and the environment; and

29 WHEREAS, California's Goods Movement Action Plan has
30 identified \$47 billion worth of infrastructure needs to address
31 mobility, environmental, and security concerns in this state
32 throughout the state's four trade corridors: Los Angeles-Long
33 Beach/Inland Empire, Bay Area, San Diego/Border, and Central
34 Valley; and

35 WHEREAS, Other states with major trade centers are facing
36 similar mobility, environmental, and security problems without
37 sufficient revenues to mitigate these trade impacts, making this
38 problem national in scope, and requiring a larger federal
39 contribution to resolve these issues; and

1 WHEREAS, It is sound economic and environmental policy to
2 invest trade revenues into trade infrastructure and mitigating trade
3 impacts; now, therefore, be it

4 *Resolved by the Assembly and the Senate of the State of*
5 *California, jointly,* That the Legislature of the State of California
6 memorializes the President and the Congress of the United States
7 to enact legislation that will ensure that a substantial increment of
8 new revenues derived from customs duties and importation fees
9 be dedicated to mitigating the economic, mobility, security, and
10 environmental impacts of trade in California and in other
11 trade-affected states across the United States; and be it further

12 *Resolved,* That the Chief Clerk of the Assembly transmit copies
13 of this resolution to the President and Vice President of the United
14 States, to the Speaker of the United States House of
15 Representatives, to the Majority Leader in the Senate, to each
16 Senator and Representative from California in the Congress of the
17 United States, and to the author for appropriate distribution.